



DAVID E. JANSSEN  
Chief Administrative Officer

County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**  
Risk Management Branch

3333 Wilshire Boulevard, Suite 820 • Los Angeles, California 90010  
(213) 351-5346 • (213) 252-0405 Fax  
<http://cao.co.la.ca.us>

November 17, 2005

To: Commission on Insurance  
Board of Supervisors

From: Rocky A. Armfield   
County Risk Manager

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**TERRORISM RISK INSURANCE ACT**

The Terrorism Risk Insurance Act (TRIA) became effective November 26, 2002, and established a Federal program of shared public and private compensation for insured property and casualty losses arising from a foreign terrorist act. Currently, the County of Los Angeles' commercial insurance program includes four insurance policies covering the peril of terrorism. The four policies are:

- Property/Boiler Insurance
- Fine Arts Insurance
- Excess General Liability Insurance (for health facilities)
- Fiduciary Liability Insurance

TRIA is scheduled to sunset on December 31, 2005, and Congress must decide if TRIA should, or should not, be extended. If TRIA is not extended, the availability and cost of terrorism coverage for the County and other public and private entities will be negatively impacted. Therefore, this office concurs with the County of Los Angeles Commission on Insurance's recommendation to support a two year extension of TRIA. A two year extension would enable TRIA's key stakeholders to improve TRIA and create alternative terrorism insurance arrangements such as risk retention pools.

If you have any questions, please call me at (213) 351-5346.

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DU:DS:sg